U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

March 31, 2006

Servicer Name
FAX

The Department of Housing and Urban Development through the Federal Housing Administration (FHA) has urged mortgagees to provide forbearance to borrowers who were displaced by last year's hurricanes and unable to make regular monthly payments. We have provided notification, direction and assistance through various Mortgagee Letters that date back to August 2005, the most recent of these being Mortgagee Letter (ML) 2006-05, *Foreclosure Moratorium Extensions to Assist Victims of Hurricanes Katrina, Rita and Wilma,* which was published February 26, 2006.

In that ML, FHA extended its foreclosure moratorium for borrowers in individual assistance areas until June 30, 2006. In order to qualify for the extended moratorium, borrowers were required, no later than March 31, 2006, to provide a written commitment to work with their mortgage servicer to develop and implement a plan to resolve the mortgage delinquency.

The Department is pleased with the industry's efforts to assist many borrowers in an effort to bring normalcy to their lives. However, due to continued uncertainty and factors beyond the control of borrowers and mortgagees in the affected regions, the Department is extending the period of time in which borrowers can notify mortgagees of their desire to develop a loss mitigation plan.

If, by April 30, 2006, a qualified borrower provides a written commitment to work with you to develop and implement a plan to resolve the mortgage delinquency, the time to initiate foreclosure will automatically be extended an additional 60 days to June 30, 2006.   The foreclosure moratorium will terminate on April 30, 2006, for all loans where the borrower has not made a written commitment. All other terms of ML 2006-05 remain the same.

If you have any questions concerning this letter, please contact the National Servicing Center at 888-297-8685.

Sincerely,

Joseph McCloskey
Director
Office of Single Family Asset Management